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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
5705 THURSTON AVENUE
VIRGINIA BEACH, VIRGINIA 23455

February 5, 1979



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Little on form #103

Mr. Robert W. Sparks
Director, Title I
State Department of Education
P.O. Box 6Q
Richmond, Virginia 23216

*Virginia: Dept. of Education
DL6-00872*

Dear Mr. Sparks:

We are currently conducting a survey which includes the Richmond City Public School System. Based on information obtained at the Richmond Public School System and information provided by you and your staff, we believe that Richmond was overpaid \$4,109.82 for food service costs during FY 1978. This overpayment occurred because Richmond claimed unallowable cost. It appears this claim was based on an erroneous interpretation of the regulations. Based on our work we feel your office should review the food service claims for other school systems to determine the extent of these problems and take the necessary actions to collect any excess reimbursement. (Enclosure I provides additional information.)

We will notify you of any other issues we identify during our audit. In the meantime, we would appreciate your informing us in writing of any actions planned or taken. Should you have any questions, please contact Chris Martin of my staff at 804-441-6621.

We appreciate the courtesies and cooperation extended to us by your staff and look forward to working with them during the remainder of our audit.

Sincerely,

Joe B. Stevens
Assistant Regional Manager

Enclosure

bc: Mr. Raspen (FGMSD/AST)
Chief, Distribution Section

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*Public
Group III
better report*

Enclosure I

COMPUTATION OF EXCESS TITLE I REIMBURSEMENT

FOR TITLE I

1978

Meals served per USDA reimbursement vouchers	37,433
Maximum rate per Title I	\$ <u>.90</u>
Total Title I maximum reimbursement	33,689.70
Less USDA reimbursement	<u>24,922.79</u>
Net maximum Title I reimbursement	8,766.91
Actual Title I reimbursement	<u>12,876.73</u>
Title I overpayment	<u><u>\$ 4,109.82</u></u>